

Message Text

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ACTION STR-04

INFO OCT-01 NEA-10 IO-13 ISO-00 STRE-00 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 AF-08 ARA-06 EA-07 EUR-12 /137 W

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R 231805Z APR 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 1425

INFO AMEMBASSY COLOMBO

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ACTION STR

H PASS CODEL

E.O. 11652: N/A

TAGS: ETRD MTN

SUBJECT: TP CONSULTATIONS: SRI LANKA

SUMMARY: IN BILATERAL TROPICAL PRODUCTS (TP) CONSULTATIONS WITH SRI LANKA DEL, US MTN DEL ELABORATED ON ITS MARCH 1 OFFER TO NEGOTIATE MFN TARIFF CONCESSIONS IN TP GROUP, AND PRESENTED SRI LANKA WITH A SUGGESTED CONTRIBUTION US IS SEEKING FROM SR LANKA TO TP NEGOTIATIONS. SRI LANKA DEL IN ABSENCE OF INSTRUCTIONS EXPRESSED SURPRISE THAT LESS DEVELOPED COUNTRIES SUCH AS ITSELF WOULD BE ASKED FOR CONTRIBUTIONS BUT APPRECIATIVE OF THE FACT THAT DUTY REDUCTION REQUESTED WAS AN ITEM ON WHICH SRI LANKA PUBLIC IMORT LIST AND IN ITS DEVELOPMENT INTEREST. SRI LANKA
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NOTED THAT ALTHOUGH US HAD BEEN QUITE RESPONSIVE

TO ITS REQUEST LIST IN ITS OFFER THAT NO ITEM WAS
OF SIGNIFICANT TRADE VALUE AND THUS HAD EXPECTED
NO US REQUEST FOR CONTRIBUTIONS. END SUMMARY.

1. ELABORATION OF US TP OFFER-US MTN DEL (GRAEF)
HELD BILATERAL TP CONSULTATION WITH SRI LANKA DEL
(MARIADASON, BRECKENRIDGE) APRIL 23 IN CONTEXT OF
CURRENT ROUND OF BILATERAL TP CONSULTATIONS TO ELA-
BORATE ON US TP OFFER AND TO PRESENT US REQUEST FOR
SPECIFIC LDC CONTRIBUTIONS TO TP NEGOTIATIONS. MTN
DEL NOTED US OFFER RESPONDED TO SEVEN OF TWELVE
REQUEST ITEMS; THREE OF THE REQUESTED
ITEMS IN ADDITION WERE ALREADY DUTY FREE AND ONE ITEM COVERED
BY GSP; TOTAL OF US OFFER BASED ON 74 TRADE
DATA ON SRI LANKA WAS \$316,000 AND EXPRESSED DESIRE
THAT THE TWO DELEGATIONS COULD AGREE ON THE TRADE
VALUE OF THE US OFFER. US INDICATED ITS INTENTION
TO BIND CONCESSIONS IT WOULD MAKE NOTING HOWEVER THAT
BINDING RELATED TO IMPLEMENTATION A SUBJECT WHICH
THE US HAD NO POSITION AT THE START OF A NEGOTIATION.
MTN DEL INDICATED THREE PRODUCTS OF TRADE INTEREST TO
SRI LANKA ON WHICH, BECAUSE OF DOMESTIC SENSITIVITIES,
MEANINGFUL CONTRIBUTIONS WERE NECESSARY FROM LDCS TO
BIND DUTY FREE REDUCTION TO ZERO (TSUS 176.04,
156.35, 165.55.)

2. MARIADASON EXPRESSED GRATIFICATION TO US
RESPONSE TO SRI LANKA'S REQUESTED BUT NOTED THAT
TRADE VALUE COVERED VERY LIMITED. TAKING
THIS INTO ACCOUNT AND SRI LANKA'S LESS DEVELOPED
STATUS HE FOUND IT SURPRISING US WOULD SEEK
CONTRIBUTIONS FROM SRI LANKA TO TP NEGOTIATION.
HE ASKED WHETHER IT WAS OUR INTENTION TO REQUEST
CONTRIBUTIONS FROM ALL LDCS NOTING THAT DURING
KENNEDY ROUND SRI LANKA WAS DENIED A CONCESSION
ON GRAPHITE ON THIS BASIS. MTN DEL RESPONDED
THAT WE WERE APPROACHING LDCS FOR CONTRIBUTIONS IN
A UNIFORM MANNER, BUT THAT WE HAD NOT POSITION
UNTIL WE COMPLETED THIS ROUND OF CONSULTATIONS
WITH RESPECT TO THE GRANTING OF INDIVIDUAL CON-
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CESSIONS ON OUR OFFER LIST. MARIADASON ASKED IF
REQUESTED CONTRIBUTIONS WERE MADE WOULD US EXECUTE
ITS OFFER ON ALL ITEMS OF INTEREST TO SRI LANKA
AND WHETHER THEY WOULD BE BOUND TO SRI LANKA. US
RESPONDED THAT ITEMS OF TRADE INTEREST TO SRI
LANKA NOT SOLELY DEPENDENT ON SRI LANKA CONTRIBU-
TIONS NOTING THAT NEARLY 100 PCT OF TRADE VALUE ON
TSUS 176.04 WAS TO THE PHILIPPINES. THE QUESTION

OF INR'S HAD NOT BEEN DISCUSSED IN EITHER THE TROPICAL PRODUCTS OR TARIFF GROUP. INR'S WERE A LARGER QUESTION BEYOND THE COMPETENCE OF TROPICAL PRODUCTS GROUP THUS IT MORE LIKELY THAT ANY AGREEMENT IN THE TARIFF GROUP ON THIS QUESTION WOULD BE APPLIED TO TROPICAL PRODUCTS RESULTS.

3. US REQUEST FOR SRI LANKA CONTRIBUTION TO TP-
US DEL PRESENTED SRI LANKA DEL WITH CONFIDENTIAL NEGOTIATING LIST WITH A REQUEST FOR A DUTY REDUCTION ON INSECTICIDES, FUNGICIDES, AND ITEM CONSIDERED A PUBLIC SECTOR IMPORT IN SRI LANKA AND NECESSARY TO ITS DEVELOPMENT PROGRAM. MTN DEL OBSERVED THAT THIS TYPE OF REDUCTION WAS LIKELY TO BE IN SRI LANKA'S OWN INTEREST AND REPRESENTED TRADE VALUE OF SUBSTANTIALLY LESS THAN TRADE VALUE OF US OFFER TO SRI LANKA. MARIADASON INDICATED HE WOULD FORWARD REQUEST TO HIS AUTHORITIES.

4. COMMENT: UNLIKE OTHER LDC DELEGATIONS TO DATE MARIADASON DID NOT RAISE PRINCIPAL OF "NON-RECIPROCITY" ON THE SPECIAL AND PRIORITY NATURE OF TROPICAL PRUDUCTS. TO DENY THE POSSIBILITY OF LDC CONTRIBUTIONS TO THE TROPICAL PRODUCTS GROUP. HE RATHER EXPRESSED SURPRISE BECAUSE OF SRI LANKA'S LEAST DEVELOPED STATUS AND TOOK NO POSITION ON WHETHER A CONTRIBUTION WAS LIKELY OR NOT. MARIADASON ALSO ASKED SEVERAL TECHNICAL AND SOPHISTICATED NEGOTIATING QUESTIONS (SEE PARA 1 ABOVE) THAT MOST LDCS HAVE NOT, INDICATING AN INTEREST IN US OFFER TO GO BEYOND THE NEGOTIATING POSITION TAKEN BY MOST LDCS THAT TRANSCENDS COMMON LDC NEGOTIATING POSITION TO DATE OF NO RECIPROCITY IN TP CONTEXT. WALKER
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Message Attributes

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Disposition Approved on Date:
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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
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Margaret P. Grafeld
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TAGS: ETRD, CE, MTN
To: STATE
Type: TE
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